



FINANCIAL PREPAREDNESS

"One of life's most painful moments comes when we must admit that we didn't do our homework, that we are not prepared." ~ Merlin Olsen

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The Holocaust

Traditionally, people have assessed their risks by determining the most likely and most severe risks they face. For example, you could look at [the leading causes of death in the U.S.](#) They have then managed those risks using one or more of the traditional risk management techniques (avoidance, reduction, mitigation, transfer, etc.). From the website above, since heart disease is the #1 killer, you could eat healthy, exercise, and lose weight. Would heart disease then be one of the biggest risks you face? I would say no.

Remember, *it's the punch you never saw coming that gets you*, or the one that you know about but are totally unprepared for. The most dangerous risks you face can be determined by using this ratio:

$$\frac{\text{the most likely or severe risks you face}}{\text{how much you are prepared for them}}$$

The leading causes of death on that website were for 2019, which was a "normal" year. It is possible that in a future year, the leading causes of death could be much different, and

the numbers *far* higher. And although premature death is one of the most severe risks, there are many others (including torture, slavery, etc.).

I just finished reading The Cunning of History: The Holocaust and the American Future by Richard L. Rubenstein (who is Jewish). This book is short (97 pages) and was published in 1975 but its thesis is terrifying: "...a hitherto unbreachable moral and political barrier in the history of Western civilization was successfully overcome by the Nazis in World War II and that henceforth the systematic, bureaucratically administered extermination of millions of citizens or subject peoples will forever be one of the capacities and temptations of government....The Nazi period serves as a warning of what we can all too easily become were we faced with a political or economic crisis of overwhelming proportions....[The Holocaust was] a thoroughly modern exercise in total domination that could only have been carried out by an advanced political community with a highly trained, tightly disciplined police and civil service bureaucracy."

Rubenstein repeatedly notes that the Nazis didn't even have computers (though I have read that they used punch card technology provided by IBM). Just imagine what the State could do today with all of its [spying programs](#) and back doors (which would make the Stasi drool), surveillance and tracking tools, close relationship with Big Tech, propaganda and disinformation programs, databases and data fusion centers, massive (and black) budgets, lethal autonomous drones, secret offshore prisons where torture is outsourced to friendly regimes, defense contractors such as Blackwater, the Patriot Act, the ability and eagerness of the media to whip up fear, the militarization of domestic police, a citizenry mostly ignorant of history and incapable of independent, critical thinking, a population that is increasingly dependent on the government, tribalism and identity politics, the war on dissent and free speech, the push to disarm Americans, etc.

Selected Pre-20th Century Democide and Totals		
Selected Cases	Years	Democide (ooo)
In China	2218 C.-19 C.	33,519
By Mongols	14 C-15 C	29,927
Slavery of Africans	1451-1870	17,267
Of Amer-Indians	16 C-19 C	13,778
Thirty Years War	1618-1648	5,750
In India	13 C-19 C	4,511 Low
In Iran	5 C-19 C	2,000 Low
In Ottoman Empire	12 C-19 C	2,000 Low
In Japan	1570-19 C	1,500 Low
In Russia	10 C-19 C	1,007 Low
Christian Crusades	1095-1272	1,000 Low
By Aztecs	Centuries	1,000 Low
Spanish Inquisition	16 C-18 C	350
French Revolution	1793-1794	263
Albigensian Crusade	1208-1249	200
Witch Hunts	15 C-17 C	100
Total All Cases	pre-20 C	133,147
Hypothetical Total	30C B.C.-19C	625,716
Interwar dead	30C B.C.-19C	40,457
Plague: Black Death	541 A.D.-1912	102,070

Something like the Holocaust, which happened in one of the most advanced democracies in the heart of Western civilization, could never happen today in America, right? Human nature might have remained unchanged for millennia, but it has changed completely since the end of World War II, right? I mean, today we have safe spaces, emotional support animals and adult coloring books. Well, you may not want to acknowledge or think about this, either because Recency Bias has misled you or because the truth is too terrifying to contemplate. But this is a punch that the vast majority of Americans would never see coming. And it could/would affect far more people than the 659,000 who die from heart disease every year.

20TH CENTURY MORTACRACIES

DEMOCIDE LEVEL MORTACRACIES	YEARS	DEMOCIDE (000)	TOTAL (000)
DEKA-MEGAMURDERER	1900-87		219,634
China (PRC)	1949-87	76,702	
U.S.S.R	1917-87	61,911	
Colonialism		50,000	
Germany	1933-45	20,946	
China (KMT)	1928-49	10,075	
MEGAMURDERER	1900-87		19,180
Japan	1936-45	5,964	
China (Mao Soviets)	1923-48	3,468	
Cambodia	1975-79	2,035	
Turkey	1909-18	1,883	
Vietnam	1945-87	1,670	
Poland	1945-48	1,585	
Pakistan	1958-87	1,503	
Yugoslavia (Tito)	1944-87	1,072	
MEGAMURDERER?	1900-87		4,145
North Korea	1948-87	1,663	
Mexico	1900-20	1,417	
Russia	1900-17	1,065	
CENTI-KILOMURDERERS	1900-87		14,918
TOP 5	1900-87	4,074	
China (Warlords)	1917-49	910	
Turkey (Ataturk)	1919-23	878	
United Kingdom	1900-87	816	
Portugal (Dictatorship)	1926-82	741	
Indonesia	1965-87	729	
Other	1900-00	10,844	
LESSER MURDERERS	1900-87		2,792
WORLD TOTAL	1900-87		260,669
WORLD TOTAL	1987-99		1,331
WORLD TOTAL	1900-99		262,000

Nearly everyone believes that the Holocaust was limited to the Nazi slaughter of six million Jews. But even if we include the roughly 11.4 million non-Jews (Soviet civilians and POWs, Polish and Serb civilians, the disabled and mentally ill, Gypsies, dissidents, criminals, gays, etc.) that the Nazis also killed (source: [the U.S. Holocaust Memorial Museum](#)), “*The Holocaust*” doesn't even make the top three genocides of the 20th Century. As Rubenstein writes, “No century in human history can match the Twentieth in the sheer number of human beings slaughtered as a direct consequence of the political activity of the great states.”

“...the foundations of 20th Century military slaughter on a mass scale were laid during World War I; the foundations of mass civilian slaughter were laid immediately thereafter....[the WWI battle of] Verdun offered a hint of the extent to which the leaders of Germany regarded their own people as expendable. If the German leaders were prepared to sacrifice their own people on so vast a scale, they were hardly likely to be concerned about the fate of enemy populations....By the end of the first

day [of Verdun], the British had lost nearly 60,000 men....By the end of the year...410,000 Britons, 500,000 Germans and 190,000 Frenchmen were dead, and for nothing.”

Superfluous Men

Margaret Thatcher once said that “The problem with socialism is that sooner or later, you run out of other people's money.” You know about the federal government's roughly [\\$210 trillion of unfunded liabilities](#), the vast majority of which is for Social Security and Medicare. That's a lot of money for “tax eaters” who are almost useless to the State since they can't work, reproduce or fight. “What is to be done?” as Lenin once asked. In my Pensions class in grad school, we used to joke about “the actuarial hit squad.” And you probably heard about “death panels” during debates about Obamacare in recent years.

Well, the Nazis did not let a good crisis go to waste: “There is evidence that Hitler welcomed World War II because of the opportunity it provided him to institute extermination programs against groups he regarded as undesirable. The law granting a 'mercy death' to the mentally incompetent and the 'incurably sick' was promulgated on September 1, 1939 [the day Germany invaded Poland]. The first extermination program of

the German government was initiated the very day the war broke out. It was directed not against Jews but against mentally incompetent Germans....Goebbels wrote in his diary that 'the war made possible for us the solution of a whole series of problems that could never have been solved in normal times'."

Rubenstein discusses how Europe was overpopulated, and no country (including Britain and the U.S., both of which turned away ships full of Jewish refugees) wanted millions of "redundant" or "superfluous" Jewish refugees, many of whom had been stripped of their citizenship and were therefore stateless. "[Stateless people were] subject to the kind of police surveillance and control that was not in turn subject to judicial review....[they were thus among the first people] in the 20th Century to experience unrestricted police domination. Once the police tasted the freedom of dominating one class of men unhindered by judicial process or legal constraint, they sought to extend their power to others. [See the [Stanford Prison Experiment](#).] The process reached its zenith...towards the end of the war when the power of the Gestapo and the SS over the German people was almost completely unhindered...."

In recent years, the elite 1% has been fretting about what to do with tens of millions of "redundant" workers in Flyover Country whose jobs have disappeared as a result of globalization, technology, changing consumer preferences, government policy, etc. "What is to be done?"

Well, most of these people are probably on the federal disability program. And if you read a book like Dreamland: The True Tale of America's Opiate Epidemic, you know that people in that program are also covered by Medicaid. And Medicaid unquestioningly paid for hundreds of thousands of OxyContin prescriptions (which often led to heroin addiction), which is one of the primary reasons why, for the first time in history, life expectancy in the U.S. has been declining in recent years. If you think that tens of millions of Americans are now redundant, that program is much less fuss and much cleaner than concentration camps and Zyklon B.

Bureaucracy

Rubenstein spends a chapter discussing the primary factor that made the Holocaust possible: bureaucratic domination. "Max Weber was convinced that political domination would rest with whoever controlled the bureaucratic apparatus [today, the Deep State]....but even Weber never entertained the possibility that the police and civil service bureaucracies could be used as a death machine to eliminate millions who had been rendered superfluous...."

"Himmler [the head of both the SS and the German police by 1936] was the perfect bureaucrat....He recognized that the task assigned to his men, mass extermination, was humanly speaking exceedingly distasteful....he praised the SS for exercising an obedience so total that they overcame the feelings men would normally have when engaged in mass murder. The honor of the SS...involved the ability to overcome feelings of compassion and achieve what was in fact perfect bureaucratic objectivity."

Rubenstein describes the competing strategies that the SA and the SS favored to solve

“the Jewish question.” “[In November 1938] SA formations set out to burn down every synagogue in Germany. Jewish stores were burned and looted and Jews were attacked throughout the country....When Himmler heard that [the SA] had instigated a pogrom, he ordered the detention of 20,000 Jews in concentration camps under his control and ordered the police and the SS to prevent widespread looting.”

“In the wake of the *Kristallnacht*, there was widespread negative reaction against the pogrom from leading Nazis....Goering was especially vehement in his opposition to *Einzelaktionen*, undisciplined individual actions. He expressed his opposition to pogroms and riots...which permitted the mob to run loose. Goerings feelings were shared by the entire German state bureaucracy. This was simply not the way to 'solve' the Jewish problem....”

“...the effect of [the undisciplined, street-level thuggery of the SA] was to convince [the state bureaucracy] that measures against the Jews had to be taken in a rational, organized way. Every step in the *methodical* elimination of the Jews had to be planned and carried out in a thoroughly *disciplined* manner. Henceforth, there would be neither emotional outbursts nor improvisations. The same meticulous care that goes into the manufacture of a Leica or a Mercedes was to be applied to the problem of eliminating the Jews....The [SA] hoodlums were banished and the bureaucrats took over. Only then was it possible to contemplate the extermination of millions. A machinery was set up that was devoid of both love and hatred. *It was only possible to overcome the moral barrier that had in the past prevented the systematic riddance of surplus populations when the project was taken out of the hands of bullies and hoodlums and delegated to bureaucrats.*”

“Bureaucratic mass murder reached its fullest development when gas chambers with a capacity for killing 2,000 people at a time were installed at Auschwitz....the very size of the chambers emphasized the complete depersonalization of the killing process.... For the first time in history, a ruling elite in the heart of Europe, the center of Western civilization, had an almost inexhaustible supply of men and women with whom they could do anything they pleased, irrespective of any antique religious or moral prejudice....The Nazis were able to turn human beings into instruments wholly responsive to their will even when told to lie down in their own graves and be shot.”

Now that we have a system where access to food (EBT cards), health care (Medicare and Medicaid), income (Social Security and stimmie checks) and money (Federal Reserve policy) are provided and controlled by the federal government, please carefully consider this paragraph, with Margaret Thatcher's warning in mind: “...the measure that gave the civil service bureaucrats least difficulty in exterminating their victims was the imposition of a starvation diet. In a bureaucratically controlled society where every individual's ration can be strictly determined, starvation is the ideal instrument of 'clean' violence. A few numbers are manipulated on paper in an office hundreds of miles away from the killing centers and millions can be condemned to a prolonged and painful death. In addition, both the death rate and the desired level of vitality of the inmates can easily be regulated by the same bureaucrats.”

The problem with mass starvation, however, is that it's messy and tends to draw bad press.

A much cleaner and far more subtle approach would be to provide dietary recommendations (the government food pyramid) for decades that are actually catastrophic to one's health, and then provide tens of millions of people with food stamps and EBT cards so they can obtain that food for free.

Slavery

It was interesting to read about how the concentration camps came about. “Initially, the concentration camps were established to accommodate detainees who had been placed under 'protective custody' by the Nazi regime. Those arrested were people whom the regime wished to detain although there was no clear legal justification for so doing.” (Foreshadowing of Guantanamo?) “Almost all of the original detainees were German communists, not Jews.” [“First they came for the communists....”](#)

“Originally, the SS did not have any interest in utilizing Jews as slave labor in the camps....after the German invasion of Russia...the SS's *Einsatzgruppen*, the mobile killing units, would...exterminate all Jews in the invaded territories. The means of killing was by shooting at mass graves. However, Himmler and other SS leaders became concerned about the psychological effect of the shooting on the killers....Himmler's concern was organizational, not moral. A less problematic means of killing was sought. Finally, the mass gas chamber utilizing Zyklon B was put to use.”

A number of large German corporations made extensive use of slave labor provided by the Nazis, at least some of which was used to make synthetic rubber and other war materiel. Rubenstein supports the Marxist argument that that was simply the logical extension of capitalist exploitation of the workers. But that's not the free market, it's an extreme form of fascism. He also discusses how the slavery of the antebellum South was more complex, nuanced and humane than the bureaucratized, systematic and depersonalized slavery of the Nazi concentration camps.

Resistance

Rubenstein devotes a chapter to “The Victims' Response: Bureaucratic Self-Destruction.” Following the disastrous Judeo-Roman Wars about 2,000 years ago, the Jewish diaspora had “survived by developing a culture of surrender and submission.” Consequently, they were unarmed, and not only did they not resist (with the exception of incidents such as the uprising in the Warsaw ghetto where their fate became clear, which is depicted in the gripping and highly recommended movie [*The Pianist*](#)), they actively cooperated with the Nazis, who simply coopted their organizations to achieve the Final Solution.

The examples that Rubenstein provides are jaw-dropping. For example: “The official agency of Germany Jews...undertook such tasks as selecting those who were to be deported [to the concentration camps and]...sending the Jewish police to round up the victims. In the Warsaw Ghetto and in Lodz, the Jewish council...did not resist German directives even when the Germans demanded the 'selection' of 10,000 Jews a day for deportation [to concentration camps]. Jewish bureaucrats made the selection; Jewish police rounded up the victims.” Of course, eventually, the Nazis came for everyone.

“...in spite of what was known [in March 1944 by the Hungarian Jews about what the Nazis had already done to five million Jews in Eastern Europe], Adolf Eichmann was able to convince the [Jewish] community's leaders...that they had nothing to fear as long as they cooperated fully with the SS. The cooperation involved Jewish supervision of enforced ghettoization, confiscation of real and personal property, and finally deportation for 'labor service' in Poland.

Although these were the same measures used by the Germans everywhere to ensure the smooth functioning of the extermination program, Hungarian Jews permitted themselves to accept Eichmann's word that *this time* the process would stop short of the final step. Apparently, the horror that awaited them was so great that they chose to grasp at the most pathetic delusion rather than face it.”

“No matter how grave the provocation, the Jewish community instinctively avoided violent response. They sought to avert hostile action by bribery, petitions for mercy, or appeals to the religious or moral sentiments of their adversaries....When all else failed, Jews usually complied with anti-Jewish measures, even if compliance involved submission to rapine and massacre...the overwhelming majority of Jews did not resist. They had been conditioned by their religious culture to submit and endure. There was no resort to even token violence when the Nazis forced Jews to dig mass graves, strip, climb into the graves, lie down over the layer of corpses already murdered and await the final *coup de grâce*.”

“*The Germans demonstrated that a modern state can successfully organize an entire people for its own extermination.* They have also demonstrated that there are forces at work in modern society, in both aggressors and victims, that were completely beyond the comprehension of the liberal, enlightened imagination until it was forced to face their actuality.”

The morals of the story? First, you must always have the courage to face reality, no matter how terrifying it may be. Second, in the age of the modern bureaucratic State, a strategy of surrender and submission is suicidal. Third, when the State starts confiscating your property (which could be through taxation or inflation), you need to get out of the country because the end is near. Fourth, *never get on the bus*.



They got on the bus.

Implications for the Future

Rubenstein writes, "...every system of domination has an inherent tendency towards the expansion of its power...the society of total domination may prove to be a permanent temptation to future rulers, especially in stressful times. Every ruler seeks affirmative response to command. As long as a residue of unpredictable freedom of action is possible in his subjects, the ruler's assured response to command escapes him. The Nazis have taught that what cannot be achieved by persuasion or even by a system of rewards can be achieved by terror."

"...a society of total domination...can serve as a prototype of a future social order, especially in a world confronted by catastrophic crises and ever-increasing, massive population redundancy....it was the organizational skill of the Nazis rather than their new weapons that made the society of total domination a reality. And, most of the organizational tools with which such a society can be set up have been greatly improved since World War II. Of supreme importance as a weapon of bureaucratic domination is the modern computer. Few weapons were as indispensable to the Gestapo as its files. When one compares the laborious task of maintaining comprehensive files as short a time back as World War II with the instantaneous retrieval of data about anyone the police or any other governmental agency might be interested in today, we see how greatly the problem of keeping tabs on people has been simplified."

“Once a system of domination has been demonstrated to be a capability of government, it invites repetition. There are a number of circumstances in which a future ruler of a modern state might be tempted to install his own version of such a system....government by bureaucratically organized, rationalized terror simplifies the problem of command, especially in a bitterly divided society. Those classes or groups who for economic, racial, religious, or social reasons oppose the program of the dominant elite could find themselves condemned to detention camps or eliminated altogether.”

“One of the gravest threats to constitutional government posed by foreign ventures [Iraq, Afghanistan] is the possibility that government leaders might ignore constitutional restraints and employ the kind of 'dirty tactics' they customarily use against foreigners [suspension of *habeus corpus*, rendition, torture, drone strikes] in dealing with domestic opposition. That is why any domestic use of the CIA is so great a threat to American freedom.”

“Among the bitter lessons of the Nixon administration is that an American president can be tempted to resort, if not to overt terror, at least to extralegal bureaucratic harassment to secure the compliance of the governed....The [Nixon] abuses occurred because the structure of government put the capacity to act as did Nixon in the hands of any president willing to employ it and clever enough to get away with such behavior. The bureaucracy that Nixon sought to use extralegally might be so used by a future president. Should...the economic crisis continue to deteriorate or should a catastrophic war break out, a future president might be tempted by the readiness of a desperate nation to accept radical measures in order to solve its woes. The overwhelming power of modern government is bound to increase no matter who is president. And not every president will be as clumsy or as non-charismatic as Nixon.”

So “what is to be done” about the federal government's unfathomable unfunded liabilities? “The hand of the future may be already visible in what can only be called the inflation-induced pension swindle. Men and women who deferred a portion of their earnings in the hope that they would be available after retirement find that inflation increasingly deprives them of the resources with which to survive. Bureaucrats...might someday decree compulsory early retirement and, at the same time, grant the retirees 'a mercy death.' The social advantages are obvious. The most vigorous elements of society would constitute its work force and there would be no claim on society's resources by superannuated or economically redundant elements.”

“Such a program would also represent a continuation of present trends in which the human rather than the natural order increasingly determines our conditions of life and death. Death would finally cease to be a natural and would become almost entirely a political finality. This scenario is by no means farfetched. According to Hannah Arendt, the mammoth Stalinist purges of the Thirties performed exactly those functions.”

“We know to what extremes men with power can be driven under conditions of stress....the explosive combination of surplus population, finite resources, and the expanding powers of the government suggest that the Nazi extermination program may yet foreshadow other exercises in the politics of total domination by future governments

as they face catastrophic population problems arising out of mankind's very success in mastering nature.”

“Sooner or later there will be other civil or international conflicts that will deprive large numbers of men of the most elemental of human rights...with consequences as yet unforeseen....Auschwitz...can also teach us that membership in a political community is no longer a guarantee of the most elemental human rights. With the collapse of every credible religious and moral restraint on the state and with the inevitable depersonalization of the relations between the rulers and the ruled, the state's sovereignty can achieve an ultimacy unimpeded by any contending claim....Does not the Holocaust demonstrate that there are absolutely no limits to the degradation and assault the managers and technicians of violence can inflict upon men and women who lack the power of effective resistance?”

“...the Holocaust bears witness to...the point at which large scale massacre is no longer a crime and the state's sovereign powers are such that millions can be stripped of their rights and condemned to the world of the living dead....The state becomes the only true god on earth...[which] has the ultimate power of divinity, the power to decide who shall live and who shall die....*It is an error to imagine that civilization and savage cruelty are antitheses....*In our times the cruelties...have become far more effectively administered than ever before. They have not and they will not cease to exist....The history of the 20th Century has taught us that people who are rendered permanently superfluous are eventually condemned to segregated precincts of the living dead or are exterminated outright.”

What You Should Be Doing Now

I plan to cover the why and how of these in future issues (if I haven't already), but here are some actions I recommend you take (or at least start thinking about) now:

1. Think about things you can do that will maximize your odds of never having to get on the bus.
2. Books to read: The Cunning of History: The Holocaust and the American Future by Richard L. Rubenstein

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I would love to hear from you! I thrive on feedback from readers. If you have any comments, suggestions, insight/wisdom, or you'd like to share a link to a great article, please [email me](#).

Generally, I don't have time to answer questions about your specific situation, but if you have a general question that I think other readers also have, [let me know](#) and I will provide an answer in a future issue.

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